DOCUMENT RESUME

ED 220 650 CE 033 548

AUTHOR Milner, Donald E.
TITLE Teaching Indirectly Related Subjects in Vocational Education. Teaching Unit.
INSTITUTION Mississippi State Univ., Mississippi State.
SPONS AGENCY Appalachian Regional Commission, Washington, D.C.; Mississippi State Dept. of Education, Jackson. Div. of Vocational and Technical Education.
PUB DATE Dec 81
NOTE 121p.; For related documents see CE 033 539-551 and CE 033 821.

EDRS PRICE MF01/PC05 Plus Postage.
DESCRIPTORS Citizenship; Contracts; Credit (Finance); Educational Resources; Employment Interviews; *Employment Potential; Financial Services; Health; Insurance; Job Application; *Job Skills; Laws; *Learning Activities; Lesson Plans; Money Management; Postsecondary Education; Secondary Education; Self Actualization; Units of Study; *Vocational Education
IDENTIFIERS Mississippi

ABSTRACT

This teaching unit is one of a series of materials developed by the Comprehensive Vocational Teacher Education Program for the Mississippi ARC (Appalachian Regional Commission) Region to provide teacher educators, vocational directors, teachers, and others with basic instructional material needed to improve professional teaching competencies. The purpose of this unit is to provide the vocational instructor with lesson plans that will make it easier to teach employability skills, which are integral to job success. The lessons are designed to be used by any vocational teacher, regardless of subject or occupational area. Ten units, containing one or more lesson plans, are included in the guide. The units cover the following topics: personal budgeting, credit and installment buying, checking and savings accounts, personal insurance, your paycheck, citizenship, business law, job application and interview, personality development, and your job and your health. Each lesson plan contains objectives, resources, content material with suggested activities or notes to the teacher, vocabulary, and suggested evaluation activity. (KC)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED220650

TEACHING INDIRECTLY RELATED SUBJECTS IN VOCATIONAL EDUCATION

[redacted]

Developed by

DONALD E. MILNER

December, 1981

Comprehensive Vocational Teacher Education Program
for the Mississippi ARC Region

HARRY D. HOLLOWAY, PROJECT DIRECTOR
GERALD A. RICHARDSON, ASSOCIATE PROJECT DIRECTOR

Vocational Education and Technology Department
Mississippi State University
Mississippi State, Mississippi 39762

COOPERATIVELY FUNDED BY

The Appalachian Regional Commission
Mississippi State Department of Education, Vocational and Technical Division
and
Mississippi State University

CE033548

U.S. DEPARTMENT OF EDUCATION
NATIONAL INSTITUTE OF EDUCATION
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

This document has been reproduced as received from the person or organization originating it.
Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official NIE position or policy.

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY

H Holloway

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

DIRECT INQUIRIES TO:

Comprehensive Vocational Teacher Education Program

for the Mississippi ARC Region

P. O. Box NU

Mississippi State, Mississippi 39762

Mississippi State University does not discriminate on the grounds of race, color, religion, sex, or national origin.

FOREWORD

This unit, Teaching Indirectly Related Subjects in Vocational Education, is one of a series of materials developed by the Comprehensive Vocational Teacher Education Program for the Mississippi ARC Region to provide teacher educators, vocational directors, teachers and other appropriate individuals with some basic instructional material needed to improve professional teaching competencies. The competencies addressed are those which have been identified as being important to successful vocational teachers. Individual unit titles were selected on the basis of a comprehensive needs assessment inventory completed by over 200 inservice vocational teachers of the Mississippi ARC Region.

Special recognition for major roles in the direction, development, coordination, and testing of this publication is extended to: Mr. Elwyn Wheat, Director of Vocational and Technical Education, Mississippi State Department of Education, who conceived the idea of the Comprehensive Vocational Teacher Education Program; the twelve-member Program Steering committee which so ably assisted in identifying inservice teacher needs and priorities; the graduate interns and assistants of the Department of Vocational Education and Technology, Mississippi State University, who researched, developed, and field tested the units; the vocational directors and teachers of the Mississippi ARC Region who participated in the field testing; and Gerald A. Richardson, the Associate Project Director, who coordinated and supervised the development of these instructional units. Sincere appreciation is also extended to the Appalachian Regional Commission for the funding and sponsorship of the Project.

Harry D. Holloway
Project Director

PREFACE

The purpose of vocational training is to equip a person with entry-level occupational skills necessary to find employment. However, vocational training does not stop at simply providing skills necessary to perform given tasks. Vocational educators must also provide their students with employability skills that will allow them to function as contributing members of our society. Not only must vocational students learn how to apply for a job, they must also learn many things that are related to keeping the job. These include human relations, personal development, how to be a good citizen, management of personal resources, and many other things that contribute to a successful career.

Many times, vocational educators - because they are highly skilled in their respective occupational areas - have a tendency to focus on occupational skills alone. The purpose of this unit is to provide the vocational instructor with several lesson plan guides that will make it easier to emphasize the other employability skills that are so vital to job success. These guides are designed to be utilized by any vocational teacher, regardless of subject or occupation. The general nature of information provided in these guides applies to the welding student as well as to the office education student, to the health occupations student as well as to the automobile mechanics student. They are equally adaptive to any vocational program in which students are being trained to enter the job market, whether on the secondary, post-secondary, or adult level.

The order of the lesson plans is left up to the instructor. If most students in the program are employed part-time during the school year, it will be beneficial to begin the year with units concerning job interview and placement and getting along on the job. If the students do not work during the school year, these units will be more beneficial if they are covered at the end of the school year.

It is hoped that vocational instructors will look at these lesson guides as a base on which to build and will continue to develop other supplemental information that might be more related to specific training programs.

Appreciation is expressed to the Mississippi Cooperative Extension Service for their assistance and special thanks are extended to Mrs. Betty Watson, State Supervisor, Office Occupations, Vocational-Technical Division, Mississippi State Department of Education.

DON MILNER

TABLE OF CONTENTS

Personal Budgeting 1
  Vocabulary 6
  Suggested Evaluation Activity. 7

Credit and Installment Buying. 9
  Vocabulary 35
  Suggested Evaluation Activity. 36

Checking and Savings Accounts. 40
  Vocabulary 51
  Suggested Evaluation Activity. 52

Personal Insurance 56
  Vocabulary 62
  Suggested Evaluation Activity. 63

Your Paycheck. 65
  Vocabulary 69
  Suggested Evaluation Activity. 70

Citizenship 72
  Vocabulary 76
  Suggested Evaluation Activity. 77

Business Law 79
  Vocabulary 84
  Suggested Evaluation Activity. 85

Job Application and Interview. 87
  Vocabulary 92
  Suggested Evaluation Activity. 95

Personality Development. 99
  Vocabulary 104
  Suggested Evaluation Activity. 105

Your Job and Your Health 107
  Vocabulary 112
  Suggested Evaluation Activity. 113

PERSONAL

BUDGETING

When vocational students complete job training and embark on their careers, they may find themselves with a steady source of income for the first time. Young people beginning their careers often encounter problems when faced with situations in which they have to make decisions about how to spend their income. In order to help you prepare your students to handle a steady income, this lesson plan has been developed to provide a basic knowledge of personal budgeting.

PERSONAL BUDGETING

Objectives:

Upon completion of this material, students will be able to:

1. Identify reasons for establishing and maintaining a personal budget.
2. List and categorize by major budget items all of their personal expenses during a given time period.
3. Set up a chart showing the amount of money to be budgeted for a specific time and justify the proportion of income in each category.
4. Explain in writing the difference in fixed expenses and flexible expenses and classify a list of expenses in each category.

Resources:

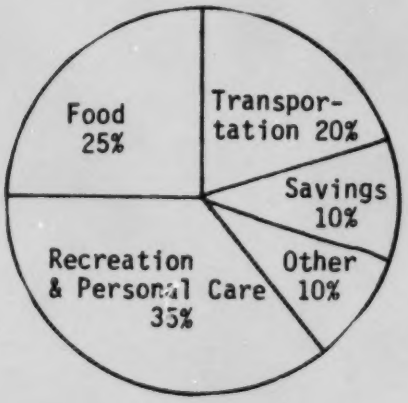
Chalkboard and chalk or overhead projector and marker

Students will need writing materials

PERSONAL BUDGETING

Content	Activities/Notes
Introduction: When you are hired by someone, your salary for that job will be agreed upon in advance. When you get your first paycheck, you'll find that it is less than the amount that you agreed to. Why?	Let students offer their ideas and structure them into your discussion.
Lesson: The first amount that you and your boss agreed to is the gross amount of your wages. The gross pay is the amount of your wages before any deductions are made from them.	write definition on chalkboard.
After your gross pay was figured, withholdings and social security were taken out of it. Once you get your take home or net pay, you'll find it helpful to set up a budget for that amount.	
A budget is a spending plan that is designed to help people make the best use of their money (or time, or other goods).	Add to list of definitions on board.
Budgeting can be either long-term or short-term.	Give examples of each: Long-term budgeting: for a car, for college expenses, for a home Short-term budgeting: for a new suit, for a weekly payment or expense
Budgeting has many advantages: keeps you from overspending points out problem areas and allows you to adjust your spending as required helps you be financially prepared for emergencies	

Content	Activities/Notes
Budgeting advantages (continued): shows where expenses can be cut	Ask students for other advantages
Consequences of not budgeting: excessive debt you may have to work at two jobs to pay your bills could harm your credit rating lack of funds when emergencies arise will necessitate borrowing money and paying interest on it	
Your budget items will be either fixed expenses or flexible expenses. Fixed expenses are those that are the same amount every month. A flexible expense may not occur every month and will probably not be the same amount each time it occurs.	Add to list of definition Have students give examples of each kind of expense. Typical examples will be: utilities: public services like gas, electricity, and water rent: periodic payment to someone in return for the use of their property insurance: protection against loss or damage contribution to a credit union: (credit union may be defined as a cooperatively-funded savings and loan association) or to a savings account Note: If any of these definitions are new to your students, add them to your list of definitions on the chalkboard. Have each student make a complete list of their expenses for the past month. Insist that the list be complete, even if the expenditure was insignificant.

Content	Activities/Notes
	Have each student list the following six major categories of expenses: food — transportation personal care — savings shelter — other Have each student take their list of expenses and place them in the proper category. (You may wish to help students categorize their expenses)
A typical budget will distribute net income something like this:  	Draw chart on chalkboard.
How would this budget be different for high school students and for families?	Let students suggest differences. The key points will be less money spent on shelter and more money spent on personal care. For high school students, an additional category of "recreation" will be included, also.
Summary: In order to make the best use of your money, it is wise to develop a budget to guide your spending. This enables you to plan for your fixed expenses as well as to estimate your flexible expenses. Through periodic adjustments, you will arrive at a budget that helps you save money while meeting your financial obligations.	

Personal Budgeting Vocabulary

Budget - a spending plan designed to help people make the best use of their money (or time or other goods)

Credit union - a private, cooperatively-funded savings and loan association

Fixed expenses - an expense that occurs every month and is in the same amount from month to month

Flexible expenses - expenses that may or may not occur every month and will not occur in the same amount each time

Gross pay - the amount of an employee's wages before any deductions are made from them

Insurance - protection against loss or damage

Net pay - the amount of an employee's wages after deductions are made from them

Rent - periodic payment made to someone in return for the use of their property

Suggested Evaluation Activity for Personal Budgeting:

1. Using the percentages suggested in the chart, calculate the amount of each of the six major categories if your net income is $192.60.

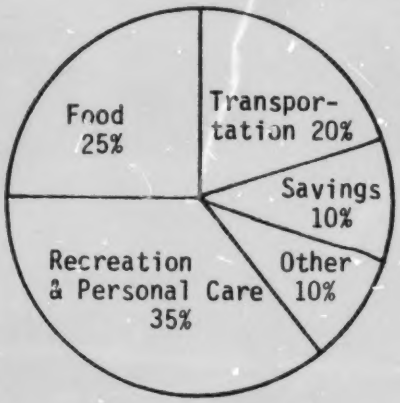
Food _____

Transportation _____

Savings _____

Personal Care _____

Other _____



2. Suggest one flexible expense and one fixed expense for each category below:

Shelter:

Transportation:

Savings:

Personal Care:

Other:

3. What changes would you make in the distribution on the chart if you could?

4. What are some possible results of making those changes?

KEY

Suggested Evaluation Activity for Personal Budgeting:

1. Using the percentages suggested in the chart, calculate the amount of each of the six major categories if your net income is $192.60.

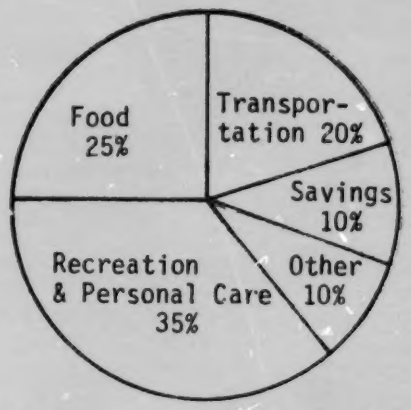
Food $48.15

Transportation $38.52

Savings $19.26

Personal Care $67.41

Other $19.26



2. Suggest one flexible expense and one fixed expense for each category below:

Shelter:	FIXED-Rent or House Payment	FLEXIBLE-Repairs to Home
Transportation:	FIXED-Car Payment	FLEXIBLE-Cab Fare
Savings:	FIXED-Payroll Deduction for Savings Bonds	FLEXIBLE-A Gift of Money Deposited to Your Savings Account
Personal Care:		
Other:		

3. What changes would you make in the distribution on the chart if you could?

Answers will vary

4. What are some possible results of making those changes?

Answers will vary

CREDIT
AND
INSTALLMENT BUYING

Credit buying is a part of money management that seems to expand every day. It is particularly important to young adults as they attempt to acquire major household goods, cars, and homes. Intelligent credit practices will benefit students throughout their adult life. This unit is divided into four lessons but can be adjusted to meet your schedule. Use of outside resources will increase the amount of time spent on this subject.

CREDIT AND INSTALLMENT BUYING

Objectives:

Upon completion of this unit, students will be able to:

1. Describe orally or in writing how credit can be a valuable financial tool that helps achieve a satisfying lifestyle.
2. Identify the responsibilities involved in the use of credit.
3. Describe in writing the basic provisions in the laws dealing with creditors and credit as they apply to case problems.
4. Determine the amount of income that can be safely used for credit purchases when provided with a family's monthly financial statement.
5. Define in writing the three types of credit accounts discussed in class.
6. Write a paragraph briefly describing how they get and keep a good credit rating.
7. Identify terms associated with consequences of overspending by matching the term with the definition.
8. Compute cost of credit for installment purchases.

Resources:

Chalkboard and chalk or overhead projector and marker

Students will need writing materials

Information Sheet #421, available from the Mississippi Cooperative Extension Serivce

Credit contract from a local business OR Information Sheet #420, available from the Mississippi Cooperative Extension Service

(continued on next page)

Resources (continued):

Copies of handout: "Determine Your Own Credit Limit"

Copies of Case Problems 1-6

Optional Resources:

Guest speaker from a local credit bureau

"Stopping Leaks in Family Spending" - 20 visuals showing ways an individual or family can decrease expenditures, available from R/CU, Mississippi State University

"Using Credit with Understanding" - 20 visuals presenting an overall picture of consumer credit in America, available from R/CU, Mississippi State University

"Consumer Game" - 17 minute color film illustrating problems young consumers encounter, including the credit trap, available from R/CU, Mississippi State University

CREDIT AND INSTALLMENT BUYING

Lesson I

Content	Activities/Notes
Introduction:	
A good credit rating and the use of good judgment in installment buying can be valuable tools in developing your economic foundation, both now and when you have a family. Buying now and paying later means that you can own many things you need as well as some of the things you consider luxuries. We're going to examine the value of credit and the responsibilities that go along with it as well as the dangers involved in its misuse.	There are many pamphlets and aids available from the Mississippi Cooperative Extension Service. You may wish to use them in your class. They can be obtained from your local Extension office or from the Miss. Cooperative Extension Service of Mississippi State University.
Lesson:	
Everyone has different ideas and feelings about credit. We all have or probably will have use for credit as you build a home, buy a car, television, and so on. Each individual's needs for credit will depend on lifestyle, family demands and capital.	Have students answer the following questions: 1. What is your definition of credit? 2. If you had credit, what would you buy? 3. Is credit good or bad?
Credit has many advantages: 1. Families with average incomes are able to obtain goods and services which they otherwise would be unable to obtain. 2. Credit is convenient. 3. You can use things while you're paying for them.	Obtain copies of Information Sheet #421 from the Mississippi Cooperative Extension Service and give each student a copy. Ask students if they can suggest other advantages.
While there are many good things about credit, there are also some disadvantages: 1. It is more expensive. 2. Credit makes it easy to overspend. 3. Credit terms are sometimes difficult to understand. 4. Credit encourages impulsive buying.	Ask students if they can suggest additional disadvantages.

CREDIT AND INSTALLMENT BUYING

Lesson I

Content	Activities/Notes
There are three basic types of credit that you will encounter as a consumer. 1. Regular or open charge accounts - You are billed for purchases made during a 30-day period. Example: most credit cards issued by oil companies. 2. Revolving credit - you charge up to a certain limit. You are required to pay a minimum toward the total each month and a finance charge is placed on the unpaid balance. Example: department store charge cards and bank cards. 3. Installment credit - requires a down payment with remainder, including finance costs, paid off in equal monthly installments. Example: purchase of automobile or furniture. Credit is available from several sources and its cost may vary from source to source. Credit unions and banks tend to charge less for credit than loan companies. Loan companies tend to charge the maximum allowed by law. Your credit rating helps determine the source from which you may obtain credit. If you have established good credit, your chances of obtaining credit, at less cost are improved because you are a better risk.	List the types of credit on the chalkboard. Students may suggest additional examples.

CREDIT AND INSTALLMENT BUYING

Lesson I

Content	Activities/Notes
The <u>cost of credit</u> can be determined easily: multiply the number of payments you'll have to make by the amount of each payment. Add any down-payment you may make or trade-in that you're allowed. Then subtract the cash price from that amount. The difference is the amount you are paying for purchasing the item on credit.	
For example: A television set costs $600. You can pay $75 down and make monthly payments for three years of $20. What is the cost of credit?	Work this problem out on the chalkboard or overhead projector.
Multiply $20 times 3 years of payments (12 months times 3 years = 36 months). The total amount of monthly payments is $720. Add the downpayment to it and you'll see that you've paid $795 for a $600 television. Your cost of credit is $795 minus $600, or $195.	Point out that there are still advantages to buying on credit, even though it costs more (better service, immediate use of the product)
Determine the cost of credit for each of these situations: A stereo sells for $327. The retailer will sell it to you on credit for $35 down and $27.50 per month for one year. How much can you save by buying it for cash?	Write these problems on the chalkboard or overhead projector. $27.50 x 12 = $330. Add $35, total is $365. Minus cash price of $327 = $38.
The price of another stereo is $460. The credit terms are $50 down and $40 a month for one year. Or the retailer will allow you a trade-in on your old stereo of $75 and let you pay $37.50 for one year. Which is the better deal?	$40 x 12 = $480. Add $50, total is $530. Minus cash price of $460 = $65 cost of credit. The trade-in is the better deal, provided the stereo you are trading in is not worth <u>more</u> than $75.

CREDIT AND INSTALLMENT BUYING

Lesson I

Content	Activities/Notes
Summary: Credit is valuable and is accompanied by responsibilities. If we do not carry out these responsibilities, we subject ourselves to credit problems. The advantages of credit outweigh the disadvantages, if it is properly used. Open accounts, revolving accounts, and installment accounts provide a variety of ways to use credit, each suited to a different situation. The cost will vary for each type. A good credit rating will enable you to obtain credit at a better rate because you can borrow from a bank or credit union instead of a loan company.	

CREDIT AND INSTALLMENT BUYING

Lesson II

Content	Activities/Notes
Introduction: Before you agree to buy something on credit, you'll want to learn as much as you can about the credit terms and what protection you have from unfair credit practices.	
Lesson: In order to obtain credit, you must complete a credit contract. It will specify the annual percentage rate of the loan (the yearly interest you are paying), the total finance charge, the total number of payments and the amount of late charges, if any.	Obtain a credit contract from a local business and use as an example. If this is not available, obtain copies of Information Sheet #420 from the Cooperative Extension Service.
A good credit rating will be an important asset to you. In order to get and keep a good credit rating, there are somethings you can do: 1. Find full- or part-time employment. 2. Open a checking account in your name. 3. Begin a systematic savings program. 4. List your expenses. Decide what you want to purchase on credit. 5. Apply for a single purpose credit card (department store, gas, etc.) 6. Borrow cash from a bank or credit union. 7. Pay for a car or furniture on an installment plan. 8. Ask why, if you are denied credit. 9. Pay what you have promised on the day that it is due. 10. Discuss honestly and frankly any problems you may have in meeting obligations. 11. Put a car title in your name.	See how many of the students have met some of these requirements.

Content	Activities/Notes
Recently, there has been increased concern on the part of the legislature for the protection of consumers' rights in credit transactions. We'll look at four of these and discuss what they mean to consumers.	
The Equal Credit Opportunity Act, passed in 1975, says that you cannot be denied credit because of your sex, race, age, marital status, or religion, providing you can prove yourself to be creditable. It also provides marriage partners with the right to their own accounts.	Ask students for reasons for these laws. Point out the importance of the phrase "prove yourself to be worthy of credit".
The Fair Credit Reporting Act, passed in 1971, regulates the practices of the credit bureau. Under this law, if you are denied credit, the creditor must tell you the name and address of the credit bureau that gave the report. You may request and within 30 days be told of information in your credit file at no charge. If you disagree with the record in your file, you have the right to place your version (limited to 100 words) in your file. The file cannot contain any adverse information over seven years old, except bankruptcy, which is reported for ten years.	A representative of a local credit bureau can be used as a resource speaker to explain the function of the credit bureau and to answer students' questions.
In 1975, the Fair Credit Billing Act was passed to monitor billing procedures by those who issue credit cards. A consumer is allowed to dispute a billing error in writing within 60 days after receiving the statement. A finance charge cannot accumulate on the disputed amount.	

Content	Activities/Notes
The Fair Debt Collection Practices Act was enacted in 1978 to regulate procedures of collection agencies. It prohibits collectors from calling at unreasonable hours or at work if an employer objects, and from threatening or harrassing. Summary: A good credit rating can be gained if you are willing to work toward it. You will have to set your goals and budget for them. As a consumer, you are provided with protection from unfair credit practices. Proper use of credit can insure that it is an asset to you.	

CREDIT AND INSTALLMENT BUYING

Lesson III

Content	Activities/Notes
Introduction: After you have established a good credit rating, you'll want to take care to protect it. You will find that there is a limit to the amount of credit you can afford, and once you determine your personal credit limit, you will be more comfortable using credit.	
Lesson: Your spending patterns are based on your individual characteristics and circumstances - your values, goals, income and responsibilities. Your credit limit is determined by listing your monthly spendable income and deducting from it your obligations, living expenses, and savings. The remainder is the amount you can safely spend on credit.	Duplicate and distribute copies of "Determine Your Own Credit Limit." You may want students to complete this work sheet in class or as a homework assignment. If a student has no income, they could complete it based on a family member's or classmate's income.
Overspending through the use of credit occurs if you do not plan carefully or if you misuse credit. What happens then? One thing that you can do is contact the creditor and ask him/her to reduce your monthly payment by a certain amount for a set period of time. This is called <u>reduced payments</u>, and it is up to the creditor to decide whether to agree to it once you ask for it. <u>Bankruptcy</u> is an extreme measure. It allows you to retain an amount set by law of equity in your property. It will do great harm to your credit rating.	List the underlined items on the chalkboard or overhead projector.

Content	Activities/Notes
Chapter 13 Bankruptcy, called the "wage earner's plan", is an increasingly popular alternative. It allows you to repay your debts at a rate which you can handle. The rate is determined in the bankruptcy court by the judge. A consolidation loan is one large loan that pays off smaller loans. This requires discipline because of the temptation to begin buying more items on credit. Repossession and foreclosure are measures taken by creditors to seize property on which no payments can be collected. Garnishment allows a creditor to have an employer withhold through legal proceedings up to 25 percent of an employee's salary. Late charges are additional charges made when a bill is not paid by the due date. Some of these actions are more extreme than others. The way you act and respond to your creditors concerning a late or missed payment will determine the actions they take. Summary: Care must be exercised in both aspects of credit we've discussed today: determining the amount of credit you can commit yourself for and taking care to meet the obligations you make. A close examination of your spending habits will allow you to make changes as needed.	

CREDIT AND INSTALLMENT BUYING

Determine Your Own Credit Limit

Directions:
1. Be completely honest with yourself.
2. Don't plan on "hoped for" raises.
3. Base monthly expenditures on facts.

1. $_____ Monthly income anticipated for 19___.

2. $_____ Subtract total necessary deductions from monthly check or checks (IRS, State Income Tax, etc.)

   $_____ Spendable Income. (You have some choices to make.)

3. $_____ Subtract monthly obligations (Payments already promised).

   List present monthly obligations and date to be paid off:

Car	$_____	Pd. Off_____	Bank	$_____	Pd. Off_____
Bank Card	$_____	Pd. Off_____	Finance Co.	$_____	Pd. Off_____
Dept. Store	$_____	Pd. Off_____	Other	$_____	Pd. Off_____

   $_____ Spendable income after paying promised payments.

4. $_____ Subtract total monthly living expenses.

   Average by referring to bank statements for 6 months or 1 year or from a record you have kept.

House Note or Rent	_____	Car (gas, oil, etc.)	_____
Utilities	_____	Medical, Dental	_____
Food	_____	Insurance (Divide annual payment by 12)	_____
Clothing	_____	Recreation	_____
Education	_____	Church & Gifts	_____
Child Care	_____	Personal Care	_____
Christmas Fund	_____	Other	_____

   $_____ Spendable income available after paying bills and living according to your standards. Changes in living standards require adjustment.

5. $_____ Subtract monthly savings for emergency. (2-6 months take home pay should be a goal for every family.)

6. $_____ Subtract expenses expected for car and home maintenance. (Based on age and general condition of car and house.)

7. $_____ Available for new credit this year after subtracting lines 3, 4, 5, and 6. Be careful to subtract all of these before arriving at figure available for new credit at present time. Refer to item 3 to see when your situation will change.

CREDIT AND INSTALLMENT BUYING

Lesson IV

Content	Activities/Notes
Introduction: We have looked at credit in many different ways. You have heard about your rights as a credit consumer as well as how to use credit effectively.	Show one set of visuals from the RCU or the film "Consumer Game," also available from the RCU.
Lesson: Today you're going to have the opportunity to use some of the information we've gone over in a case setting.	The case problems, 1-6 may be completed by the group as a whole, individually, or you may want to divide the class into small groups. Following completion of the problems, the solutions should be shared with the entire class. (See suggested solutions.)
Summary: Even though you are protected as a comsumer, credit carries responsibilities that you must be aware of in order to use it to your advantage.	

CREDIT AND INSTALLMENT BUYING: Case Problem 1

In my last credit card statement there was a charge for clothing purchased at a department store in Memphis, Tennessee. I have not been to Memphis in two years. I called the bank which issued the credit card and told them about the error. It did not occur to me to get the name of the person to whom I reported the error. Now I have received another credit statement, not only showing the Memphis bill, but a finance charge to boot! What do I do next?

1. What is the problem?

2. Is the problem a result of consumer responsibility or consumer right?

3. What is the possible action a consumer could take?

CREDIT AND INSTALLMENT BUYING Case Problem 1

When I applied for credit to purchase a stereo I was turned down. The credit grantor refused to extend credit to me based on a credit report. After obtaining the name and address and contacting the credit bureau supplying the report I was told that it was on record that I had not paid a balance due on a television I had bought a year before and that the charge for receiving this information from them was $4.00. What can I do?

1. What is the problem?

2. Is the problem a result of consumer responsibility or consumer right?

3. What is the possible action a consumer could take?

CREDIT AND INSTALLMENT BUYING: Case Problem 3

Due to a large, unexpected dental bill, I got behind in my installment payments for our refrigerator. The owner of the appliance store began to call every other day at work to tell me what he could do about collecting the money due if I didn't pay him immediately. I was not able to pay at the end of the first week, so he began calling me every day, just before my lunch. This caused trouble with my supervisor, who told me that my production has dropped off because of these interruptions and to tell the guy to stop calling me or else. I told the appliance store owner that I would pay him as soon as I could and that he was making my boss upset, and he still called yesterday...What can I do?

1. What is the problem?

2. Is the problem a result of consumer responsibility or consumer right?

3. What is the possible action a consumer could take?

CREDIT AND INSTALLMENT BUYING Case Problem 4

I have serious problems with my bills and can't seem to get ahead. I have to pay alimony and child support plus cost for an apartment and a car which is necessary for work. Last week I got a notice of "garnishment" which out of the $125.00 I make a week, $60.00 of it was to be taken for payment of a bill I have on a color TV. This leaves me $65.00 to live on which I know is not enough and will only bring on worse bill problems later. Is there anywhere I can complain?

1. What is the problem?

2. Is the problem a result of consumer responsibility or consumer right?

3. What is the possible action a consumer could take?

CREDIT AND INSTALLMENT BUYING: Case Problem 5

For many years I have dealt with a local furniture dealer. A new salesperson there spent a lot of time locating an upholstery fabric for me that I was unable to find anywhere else. I financed the furniture and signed the usual installment credit application which the store had always used. When the first bill came, the full price was about $60.00 more than the salesperson had quoted me. I called the owner and told him that at the time of the sale, the person told me that he had to figure out all the charges a little more carefully, and that although there were two or three items left to figure out, that he would not hold me up and could fill them in later. The owner said he would talk to his salesperson and straighten it out. When he called back, he said he was sorry but after he had gone over the figures himself, he found they were accurate and was sorry that the salesperson had made a mistake in the price he quoted. Do I have a case?

1. What is the problem?

2. Is the problem a result of consumer responsibility or consumer right?

3. What is the possible action a consumer could take?

CREDIT AND INSTALLMENT BUYING Case Problem 6

Before marriage, I worked as a secretary but I have not worked for the past 10 years, while my children were growing up. I have re-entered the business world as a secretary. I want to buy a car on my own: it would make life less hectic, since I often have to drop the children off at school and could do errands on the way home without taking Saturday to use my husband's car. I make $200 a week and could easily meet the small payments for a second hand car out of my own income, but the bank denied me credit because my husband refused to co-sign my loan for me (he thought it was an unnecessary expense). I've tried to change my husband's mind; but no luck. Is there another way I can go about getting the financing?

1. What is the problem?

2. Is the problem a result of consumer responsibility or consumer right?

3. What is the possible action a consumer could take?

CREDIT AND INSTALLMENT BUYING: Case Problem 1

In my last credit card statement there was a charge for clothing purchased at a department store in Memphis, Tennessee. I have not been to Memphis in two years. I called the bank which issued the credit card and told them about the error. It did not occur to me to get the name of the person to whom I reported the error. Now I have received another credit statement, not only showing the Memphis bill, but a finance charge to boot! What do I do next?

1. What is the problem?

   An error in billing has occurred

2. Is the problem a result of consumer responsibility or consumer right?

   Both consumer right and responsibility

3. What is the possible action a consumer could take?

   Write to the credit card company before 60 days - do not call

   (Fair Credit Billing Act)

KEY

CREDIT AND INSTALLMENT BUYING: Case Problem 2

When I applied for credit to purchase a stereo I was turned down. The credit grantor refused to extend credit to me based on a credit report. After obtaining the name and address and contacting the credit bureau supplying the report I was told that it was on record that I had not paid a balance due on a television I had bought a year before and that the charge for receiving this information from them was $4.00. What can I do?

1. What is the problem?

   Incorrect reporting; no fee can be charged due to incorrect reporting

2. Is the problem a result of consumer responsibility or consumer right?

   Consumer right

3. What is the possible action a consumer could take?

   Telephone or write the credit bureau to correct the statement

   (Fair Credit Reporting Act)

CREDIT AND INSTALLMENT BUYING: Case Problem 3

Due to a large, unexpected dental bill, I got behind in my installment payments for our refrigerator. The owner of the appliance store began to call every other day at work to tell me what he could do about collecting the money due if I didn't pay him immediately. I was not able to pay at the end of the first week, so he began calling me every day, just before my lunch. This caused trouble with my supervisor, who told me that my production has dropped off because of these interruptions and to tell the guy to stop calling me or else. I told the appliance store owner that I would pay him as soon as I could and that he was making my boss upset, and he still called yesterday...What can I do?

1. What is the problem?

   Harrassment

2. Is the problem a result of consumer responsibility or consumer right?

   Consumer responsibility to communicate with seller; consumer right to not be harrassed at work

3. What is the possible action a consumer could take?

   Reduced payments, wage earner plan

CREDIT AND INSTALLMENT BUYING: Case Problem 4

I have serious problems with my bills and can't seem to get ahead. I have to pay alimony and child support plus cost for an apartment and a car which is necessary for work. Last week I got a notice of "garnishment" which out of the $125.00 I make a week, $60.00 of it was to be taken for payment of a bill I have on a color TV. This leaves me $65.00 to live on which I know is not enough and will only bring on worse bill problems later. Is there anywhere I can complain?

1. What is the problem?

   Too much money was deducted; the Wage Garnishment Law allows only 25% of disposable income to be garnished

2. Is the problem a result of consumer responsibility or consumer right?

   Consumer right

3. What is the possible action a consumer could take?

   Report it to local officials or U.S. Department of Labor

CREDIT AND INSTALLMENT BUYING: Case Problem 5

For many years I have dealt with a local furniture dealer. A new salesperson there spent a lot of time locating an upholstery fabric for me that I was unable to find anywhere else. I financed the furniture and signed the usual installment credit application which the store had always used. When the first bill came, the full price was about $60.00 more than the salesperson had quoted me. I called the owner and told him that at the time of the sale, the person told me that he had to figure out all the charges a little more carefully, and that although there were two or three items left to figure out, that he would not hold me up and could fill them in later. The owner said he would talk to his salesperson and straighten it out. When he called back, he said he was sorry but after he had gone over the figures himself, he found they were accurate and was sorry that the salesperson had made a mistake in the price he quoted. Do I have a case?

1. What is the problem?

   An incomplete application was signed by the consumer

2. Is the problem a result of consumer responsibility or consumer right?

   Consumer responsibility (and questionable sales ethics)

3. What is the possible action a consumer could take?

   No recourse

CREDIT AND INSTALLMENT BUYING: Case Problem 6

Before marriage, I worked as a secretary but I have not worked for the past 10 years, while my children were growing up. I have re-entered the business world as a secretary. I want to buy a car on my own: it would make life less hectic, since I often have to drop the children off at school and could do errands on the way home without taking Saturday to use my husband's car. I make $200 a week and could easily meet the small payments for a second hand car out of my own income, but the bank denied me credit because my husband refused to co-sign my loan for me (he thought it was an unnecessary expense). I've tried to change my husband's mind; but no luck. Is there another way I can go about getting the financing?

1. What is the problem?

   The consumer was denied credit without being given a legal reason

2. Is the problem a result of consumer responsibility or consumer right?

   Consumer right (Equal Credit Opportunity Act)

3. What is the possible action a consumer could take?

   Notify the lending agency of the consumer's rights (in writing), then the Federal Trade Commission

Credit and Installment Buying Vocabulary

Bankruptcy - your debts exceed your assets to such an extent that your debts cannot be paid - the court allows you to retain an amount of your equity and your creditors take possession of the remainder

Chapter 13 Bankruptcy - allows you to repay your debts at a rate you can handle, determined in bankruptcy court by a judge

Consolidation loan - one large loan that pays off smaller loans

Garnishment - procedure by which the court allows a creditor to have an employer withhold up to 25% of an employee's salary

Installment credit - credit purchasing requiring a down payment with remainder, plus a finance charge, paid off in equal monthly installments

Late charges - additional charges made when a bill is not paid by the due date

Reduced payments - lowering the amount of monthly payments and extending the number of payments

Regular or open charge account - a credit account that bills you for purchases made during a 30-day period

Repossession and foreclosure - creditors seize property on which no payments can be collected

Revolving credit account - charge account allowing credit purchases up to a certain limit. A minimum payment is required toward the total each month and a finance charge is placed on the unpaid balance

Suggested Evaluation Activity for Credit and Installment Buying:

1. How can credit be a valuable financial tool to help you achieve a satisfying lifestyle?

2. When you use credit, what responsibilities do you assume?

3. What can you do to get a good credit rating?

4. Define these terms:

   open charge account

   revolving credit account

   installment credit

5. Last week I got a notice of "garnishment". They're going to take $50 a week out of my $125 a week salary to pay for a bill I've gotten behind on. I'll only have $75 a week to live on, and my car payment is $150 a month. I've got to pay rent and groceries on top of that.

   a. What is the problem?

   b. What are the alternatives?

6. The Jones family makes $1,500 per month. Out of that amount, they make a house payment of $200 and a car payment of $125. They have additional living expenses (grocery, clothing, medical expenses, etc.) of approximately $800 per month. Mr. Jones likes to save at least $100 per month for emergencies. How much can they safely spend on credit?

7. Mrs. Jones wants to buy a new refrigerator. It costs $920. The store will let her pay $100 down and $100 per month for ten months. What is the cost of credit?

Match the definition on the right with the term on the left.

_____ consolidation loan

_____ garnishment

_____ installment credit

_____ bankruptcy

_____ revolving credit account

a. credit purchasing requiring a down payment, finance charge and monthly payments
b. limited charge account requiring minimum monthly payment and finance charge on unpaid balance
c. debts cannot be paid and property is taken by creditors except for that the court allows you to keep
d. additional charges made when a bill is not paid by the due date
e. one large loan that pays off smaller ones
f. procedure allowing creditor to have an employer withhold part of an employee's salary for payment of a debt

KEY

Suggested Evaluation Activity for Credit and Installment Buying:

1. How can credit be a valuable financial tool to help you achieve a satisfying lifestyle?

   Wise use of credit allows an individual to gain immediate use of a product or service and pay for it gradually. This is especially important when emergencies arise.

2. When you use credit, what responsibilities do you assume?

   The responsibility of making the required payment on the date specified and payment of extra charges if the payment is late. The responsibility of not overextending your credit so that the obligations can be met.

3. What can you do to get a good credit rating?

   Find employment. Start a savings account at a bank and a checking account. Don't overdraw it. Live within your budget. Get a loan and pay it back with your savings account.

4. Define these terms:

   open charge account - credit account that is billed monthly

   revolving credit account - credit account with a financial limit, a minimum payment must be made monthly and a finance charge is placed on the unpaid balance

   installment credit - requires a down payment, a finance charge is placed on the remainder and paid in monthly payments

5. Last week I got a notice of "garnishment". They're going to take $50 a week out of my $125 a week salary to pay for a bill I've gotten behind on. I'll only have $75 a week to live on, and my car payment is $150 a month. I've got to pay rent and groceries on top of that.

   a. What is the problem?

      Too much money was deducted; it should be limited to 25%

   b. What are the alternatives?

      Report it to the local officials or the U.S. Department of Labor

KEY

6. The Jones family makes $1,500 per month. Out of that amount, they make a house payment of $200 and a car payment of $125. They have additional living expenses (grocery, clothing, medical expenses, etc.) of approximately $800 per month. Mr. Jones likes to save at least $100 per month for emergencies. How much can they safely spend on credit?

$ 200	house payment	$1500	income
125	car payment	1225	total expenses
800	additional expenses	$ 275	available for credit use
$1125			
+ 100	emergency expenses		
$1225	expenses total		

7. Mrs. Jones wants to buy a new refrigerator. It costs $920. The store will let her pay $100 down and $100 per month for ten months. What is the cost of credit?

$ 100	payment per month	$1000	total payments
x 10	months	+ 100	down payment
$1000	total payments	$1100	total cost on credit

$1100	credit cost
- 920	cash price
$ 180	cost of credit

Match the definition on the right with the term on the left.

E	consolidation loan	a.	credit purchasing requiring a down payment, finance charge and monthly payments
F	garnishment	b.	limited charge account requiring minimum monthly payment and finance charge on unpaid balance
A	installment credit	c.	debts cannot be paid and property is taken by creditors except for that the court allows you to keep
C	bankruptcy	d.	additional charges made when a bill is not paid by the due date
B	revolving credit account	e.	one large loan that pays off smaller ones
		f.	procedure allowing creditor to have an employer withhold part of an employee's salary for payment of a debt

CHECKING AND SAVINGS ACCOUNTS

The nature of the business world requires that almost everyone make use of a checking account sometime during his/her business or personal life. It is important that students know as much as possible about how checking accounts work before they are required to use them. Many students will already have checking accounts and can contribute to the class discussions in this section.

CHECKING AND SAVINGS ACCOUNTS

Objectives:

Upon completion of this material, the student will be able to:

1. Name four advantages of using checking accounts.
2. Write a check in accordance with accepted procedures.
3. Identify four kinds of endorsements of checks.
4. Given a bank statement, balance it.

Resources:

Chalkboard and chalk or overhead projector and marker.

Sample copies (voided) of blank checks

Sample bank statements

Resource speaker from local bank, if desired

Students will need writing materials

Copies of handout "Balancing a Bank Statement"

C E N [illegible] 'AVI'C' A[illegible]O'NIS

Lesso[illegible]

Content	Activities/Notes
Introduction: Today, many business transactions are handled through the use of checks. Most people use checks to pay bills by mail since it is much safer than mailing cash and the cost of a checking account is relatively small. Almost all large stores will accept personal checks if you provide proper identification.	
Lesson: What are the advantages of using a checking account? 1. reduces the need to carry large sums of money with you 2. provides an accurate record of all transactions 3. allows you to pay bills by mail instead of in person 4. if a check is lost or stolen, the drawer of the check can stop payment on the check to prevent payment upon presentation	Allow students to list their ideas and incorporate them into your class discussion.
When you open a checking account at a bank, you enter into a contract with that bank which allows you to put money in the bank for safekeeping. The bank must honor proper checks as long as there are sufficient funds on deposit. If someone deliberately writes a check knowing insufficient funds are available in their account, he or she commits a crime which is punishable by law. Because of the convenience of writing checks and the safety factor, checks are used more often for business transactions than cash.	

Content	Activities/Notes
When you place your signature on a check, the bank in which your account is held is directed to pay the amount indicated to a third party. Checks initially involve three parties: 1. The drawer - the person who writes the check 2. The drawee - the bank in which the account is held or on which the check is drawn 3. The payee - the party to whom the payment is being made.	
Checks should always be written in ink. Do not cross out or erase or change any part of a check - tear the check up and write a new one.	Secure a number of counter checks from a local bank so students can practice writing checks. Give them several sums to write and check each student to see that they are correct.
Most checks have a space for you to write a check number on them, unless you have personalized checks, which have the check number printed on them. You should write the check number on your stub each time you issue a check. In the upper right corner of the check there is a routing number that helps sort checks so they can be sent back to your bank. This number looks like a fraction and is the official number of the bank.	Show students where each of these is located on a check.
Always put a date on your checks. Write clearly on all parts of the check. The payee is written in the blank labelled "Pay to the Order of". Following that, there will be a line for you to write the amount of the payment in numbers. On the line below it, write the amount of the payment in words. Begin writing close to the left of the line, write cents as a fraction and fill in any leftover space with a line.	

Content	Activities/Notes
The name of the bank is printed in the lower left of the check, and below it is your account number. The signature line should be filled in after all other blanks have been completed. Write you name as it is printed on the check or as you signed the bank signature card when you opened your account. Summary: Almost everyone will deal with a checking account during his/her lifetime. It will be to your advantage to take time to properly complete checks. This provides you with an additional measure of safety.	

CHECKING AND SAVINGS ACCOUNTS

Lesson II

Content	Activities/Notes
Introduction: In order to cash or deposit a check, you must sign your name on the back of it. This is called endorsing the check. Never endorse a check until you are ready to cash it.	
Lesson: Blank endorsement means that you sign your name on the back of the check exactly as it appears on the front of the check. If your name is wrong on the check, it requires a double endorsement. Sign it first as it appears on the check and below that, sign it correctly.	Example of blank endorsement: Example of double endorsement:
Restricted endorsement tells how payment will be made. You write "for deposit only" on the back of the check above your signature. No one else can cash the check. When depositing a check through the mail or having someone else deposit a check for you, you will use restricted endorsement.	Example of restricted endorsement: for deposit only John Q. Public
Special endorsement is used to change ownership of the check. You write "pay to the order of" on the back of the check and write the new payee's name and sign your name under it. Then only the new payee can cash the check. He or she will sign below your signature. This is also known as a two-party check.	Example of special endorsement: pay to the order of U.R. Welcome John Q. Public pay to the order of U.R. Welcome John Q. Public U.R. Welcome
Once a month, the bank will send you a statement of your account showing all deposits, checks, and charges to your account. The statement will show the dates the bank received the check, not the date you wrote the check. There may be a minimum charge added if your account falls below a certain balance.	

Content	Activities/Notes
When you receive your statement, you should compare it to your records. After deducting bank charges, your balance should agree with the statement. If the two figures do not agree, it may be because: 1. a late mail deposit was not added to your account before the statement date 2. some of the checks you've written haven't reached the bank 3. an error has been made in figuring	A local bank can provide you with a sample bank statement and other information that may be helpful to you in teaching this unit. Issue copies of the handout "Balancing a Bank Statement" to students. They can complete the activity in class or as a homework assignment.
Summary: Banks can provide many services to you. By establishing a checking account, you are beginning your credit history. For this reason, it is important to pay close attention to your financial records.	

Balancing a Bank Statement

Bank Balance Shown on Statement _____

Add Deposits Not Shown on Statement _____

TOTAL _____

Less Checks Outstanding _____

BALANCE _____

Checks Outstanding		
No.	Amount	
TOTAL		

Your bank statement for this month arrived and shows a balance of $373.66 as of the 15th of this month. On the 17th you wrote check #171 for $16.52 and check #172 for $21.00. You deposited a check from your part-time job for $60.00 on the 16th. Using this information, balance the bank statement using the form provided above.

KEY

Balancing a Bank Statement

Bank Balance Shown on Statement	$373.66
Add Deposits Not Shown on Statement	60.00
TOTAL	$433.66
Less Checks Outstanding	37.52
BALANCE	$396.14

Checks Outstanding		
No.	Amount	
171	16	52
172	21	00
TOTAL	37	52

Your bank statement for this month arrived and shows a balance of $373.66 as of the 15th of this month. On the 17th you wrote check #171 for $16.52 and check #172 for $21.00. You deposited a check from your part-time job for $60.00 on the 16th. Using this information, balance the bank statement using the form provided above.

55

Content	Activities/Notes
Introduction: Unexpected emergencies can occur at any time and can require more cash than you may have on hand. In order to be prepared for these occasions, you can begin putting some money aside each time you are paid.	
Lesson: Your savings can be kept in the bank, your credit union, a payroll or government savings bond, or a savings and loan association. The money you save earns interest that will add up over the years. To make sure that your savings are safe, deposit it in a Federal Deposit Insurance Corporation (FDIC) insured organization. If a bank is a member of the Federal Reserve System, it is required to insure its deposits with the FDIC up to a maximum of $20,000 per account. This means you can have up to $20,000 in your savings account and it is protected. Government savings bonds are also insured by the government, and most credit unions insure deposits.	Students can be asked to determine interest rates for different kinds of savings accounts as an outside activity.
In order to save money, you have to make up your mind and do it. Either decide on how much you'll set aside each pay period or establish a goal for your savings. Deposit part of your salary each pay period, just like you were paying a bill.	
The interest you earn on your savings account will be compounded (added to your savings account) after a set period of time. It may be compounded daily, monthly, quarterly (every 3 months), semi-annually (every 6 months), or annually (every 12 months).	This is a good time to use a guest speaker from a local bank.

CHECKING AND SAVINGS ACCOUNTS

Lesson III

Content	Activities/Notes
When you open a savings account, you'll receive a passbook to record your deposits and withdrawals. When you deposit or withdraw money, the teller will record it in your passbook and add any interest your account has earned during the period. Your savings account will also be an asset to you when you apply for a bank loan. Credit application will often require proof of a savings account or a checking account. Your bank provides other services that you'll find helpful. Most banks rent safe deposit boxes for you to keep important papers or valuables in. Banks also issue travelers checks to help insure you against losing cash. Summary: Banks follow standard practices regulated by the Federal Reserve System. There will be little difference from bank to bank. You'll want to select the one that offers the services that are most suited to you.	

Checking and Savings Accounts Vocabulary

The drawer of a check - the person who writes the check

The drawee of the check - the bank in which the account is held or on which the check is written

The payee of the check - the party to whom the payment is being made

Blank endorsement - endorsing a check by signing your name on the back, exactly as it appears on the front of the check

Double endorsement - if your name is wrong on the check, signing it first as it appears on the check and then as it should be

Restricted endorsement - specifies how payment on the check will be made

Special endorsement - changes ownership of the check to another party - the person it is written to signs it over to another (also known as a two-party check)

FDIC - Federal Deposit Insurance Corporation, the organization that insures deposits in banks

Passbook - record of savings account deposits, withdrawals, and interest

Suggested Evaluation Activity for Checking and Savings Accounts:

1. Name four advantages of using checking accounts.

   a.
   b.
   c.
   d.

2. Complete the check below using the following information:

   You are writing a check to Sears for $45.52 on your account, number 39482. The date is today. Your current balance in your checking account is $423.75, and the check number is 108.

No._____		No._____
Date_____	_____ 19 _____	
Amt._____		
For_____		
_____	Pay to order of_____ $_____	
Bal._____	_____ Dollars	
Check_____		
New Bal._____	_____ _____	
	Memo	Signature

3. Match the following check endorsements:

   1. blank endorsement _____
   2. restricted endorsement _____
   3. special endorsement _____

   a. Joseph Jones
   b. pay to the order of
      Joseph Jones
      Sam Smith
   c. Josef Jones
      Joseph Jones
   d. for deposit only
      Joseph Jones

4. Using the form and information provided here, balance the Bank Statement:

   Your bank statement shows a balance of $512.64 as of the 25th of this month. You deposited a check for $100 on the 25th that did not show up on this statement. You wrote check #161 for $75 on the 26th and check #162 for $49.95 on the 27th.

Balancing a Bank Statement

Bank Balance Shown on Statement	_____
Add Deposits Not Shown on Statement	_____
TOTAL	_____
Less Checks Outstanding	_____
BALANCE	_____

Checks Outstanding		
No.	Amount	
TOTAL		

KEY

Suggested Evaluation Activity for Checking and Savings Accounts:

1. Name four advantages of using checking accounts.

   a. reduces need to carry large sums of cash
   b. provides record of transaction
   c. allows payment of bills through mail
   d. payment can be stopped on lost or stolen checks

2. Complete the check below using the following information:

   You are writing a check to Sears for $45.52 on your account, number 39482. The date is today. Your current balance in your checking account is $423.75, and the check number is 108.

No. 108		No. 108
Date Sept. 7		September 7 19 83
Amt. 45.52		
For payment on account	Pay to order of Sears	$45.52
Bal. $423.75	Forty-five and 52/100----------	Dollars
Check 45.52		
New Bal. $378.23	Account #39482	J.C. Student
	Memo	Signature

3. Match the following check endorsements:

   1. blank endorsement — a
   2. restricted endorsement — d
   3. special endorsement — b

   a. Joseph Jones
   b. pay to the order of
      Joseph Jones
      Sam Smith
   c. Josef Jones
      Joseph Jones
   d. for deposit only
      Joseph Jones

4. Using the form and information provided here, balance the Bank Statement:

   Your bank statement shows a balance of $512.64 as of the 25th of this month. You deposited a check for $100 on the 25th that did not show up on this statement. You wrote check #161 for $75 on the 26th and check #162 for $49.95 on the 27th.

Balancing a Bank Statement

Bank Balance Shown on Statement	512.64
Add Deposits Not Shown on Statement	100.00
TOTAL	612.64
Less Checks Outstanding	124.95
BALANCE	487.69

Checks Outstanding		
No.	Amount	
161	75	00
162	49	95
TOTAL	124	95

PERSONAL

INSURANCE

After completing vocational training and entering into a full-time work situation, your students may want to explore the possibilities of purchasing personal insurance that will provide them or members of their family with some measure of security.

PERSONAL INSURANCE

Objectives:

Upon completion of this material, the student will be able to:

1. Describe the purpose of insurance, in writing or orally.

2. List the reasons a person should consider purchasing insurance.

3. Demonstrate an awareness of the different types of insurance available by listing and defining them.

4. Given a simulated situation requiring the purchase of insurance, make an appropriate selection of policies.

Resources:

Chalkboard and chalk or overhead projector and marker

Sample copies of various types of insurance policies

Films from R/CU or your local insurance agent

Resource speaker if desired

Students will need writing materials

Content	Activities/Notes
Introduction: In order to give some measure of security to those persons who are dependent upon you after you finish your vocational training, or for others who have had an investment in your livelihood and future, you may wish to purchase insurance.	
Lesson: The primary purpose of life insurance is for security, but it also provides one of the best vehicles available to establish a substantial savings and retirement income program. By investing in a reasonable life insurance program, a person has the satisfaction of knowing that if death should occur, those who are dependent upon him or her will be able to reap at least some of the benefits of a lifetime's lost income. Should the insured person live the length of the insurance policy, a nice nest egg may be realized, depending on the type of policy selected.	
We're going to explore the four basic types of insurance that you'll have to decide about: Automobile insurance Health insurance Life insurance Home insurance	Because students may not be familiar with some of the terms in this lesson, you'll want to write them on the chalkboard, overhead projector, or prepare a handout listing them ahead of time.
Automobile insurance is advisable for any automobile owner in Mississippi. A liability policy of at least $10,000/$20,000/$5,000 is recommended. Basic coverage would be $10,000 for injury to one person, $20,000 for injuries for all persons injured in any one accident, and $5,000 for property damages. These amounts can increase if you want them to when you purchase your policy.	Liability is a legal obligation to pay someone for damages you caused them as a result of your negligence. A premium is the money you paid for the insurance policy.

Content	Activities/Notes
Additional coverage is also available: Physical damage insurance - covers damage to car owner for collision, fire, theft, etc.	Obtain sample copies of various types of insurance policies to show class members. These are available from local insurance agents.
Collision - an "all risk" coverage to protect your car from losses other than those caused by collision (fire, theft, windstorm, hail, flood, vandalism, glass breakage, etc.)	Some class members will have contributions to make to class discussion on this subject.
Uninsured motorist - pays if you are hit by someone who does not have insurance causing you bodily injury.	
Health insurance has three basic types of policies: 1. hospital-medical-surgical covers basic expense of being hospitalized 2. major medical is designed to provide coverage for large medical bills 3. disability income pays a monthly income while you are disabled and unable to work as a result of injury.	The R/CU at Mississippi State University has films available on the various types of insurance. You may wish to show one of these to your class, or you may wish to contact your local insurance agents for assistance in obtaining appropriate films.
Life insurance also has three basic coverages: 1. whole life provides death protection for as long as you live and continue to pay required premiums	
Straight or whole life is considered to be the least expensive type of life insurance. It comes in many different forms.	Your insurance agent can provide you with a chart showing the cost of these policies for different age levels.
2. term protects you for a specified period of time and pays death benefits only if you die within that period of time.	

Content	Activities/Notes
A term policy has no cash values like the other types of life insurance do; it offers protection against death for a given period of time.	
3. endowment premiums are paid for a specified period of time. At the end of that time, the person may withdraw accumulated cash or remain insured until death without paying additional premiums.	
An endowment insurance policy is a savings plan. It protects the person for a certain number of years and at the end of a time period, the insured receives the full amount of the policy.	
Your beneficiary is the person who receives the money from the insurance policy. When death is accidental, some companies pay double the amount of the policy. This is known as double indemnity.	
Home insurance is the fourth type of insurance we mentioned. Your home should be insured for at least 80% of the replacement cost. Most policies cover the house and contents against fire, storm, theft, and other damages.	
It is important that you know your insurance agent (the representative of the company who sells you insurance). That is the person you will be dealing with if you have to make a claim.	A claim can be defined for students as "notice to an insurance company asking for the amount due under the terms of the policy".
Some companies will issue a dividend or refund on part of the premium. You will want to inquire about this when you are purchasing your policy.	A policy can be defined as a contract between the insurance company and the individual.

Content	Activities/Notes
Summary: You and your insurance agent will determine how much insurance coverage you need and can afford. More protection or coverage costs more money. The amount of the premium will also depend on your age and health. By carefully "shopping around", you'll be able to obtain as much protection as possible at as low a cost as possible for your auto, health, life, and home insurance policies.	

Personal Insurance Vocabulary

Agent - representative of insurance company who sells policies

Beneficiary - person who receives money or benefits from the insurance policy

Cash value - money invested in an insurance policy

Claim - notice to an insurance company asking for the amount due under the policy

Dividend - refund of portion of the premium

Double indemnity - when a company pays twice the amount of the policy because of accidental death

Insured - person covered by policy

Policy - contract between insurance company and individual or group

Premium - money paid for insurance policy

Suggested Evaluation Activity for Personal Insurance:

1. Describe the purpose of insurance.

2. Why should a person consider purchasing insurance?

3. List and define the different types of insurance that are available.

4. What type of life insurance policy should be purchased in the following situations?

   a. John wants a policy that will provide death protection as long as he lives and continues to make payments.

      He needs _____ insurance.

   b. Lauren wants a policy that will provide her with money when she is ready to retire.

      She needs _____ insurance.

KEY

Suggested Evaluation Activity for Personal Insurance:

1. **Describe the purpose of insurance.**

   Life insurance provides financial security for family members in case one of the wage earners in the family dies. It can also be used as a savings or retirement program. Other kinds of insurance provide financial security against accidents and illness.

2. **Why should a person consider purchasing insurance?**

   To provide financial security for themselves and their family members.

3. **List and define the different types of insurance that are available.**

   automobile insurance - protects people riding in your car, you and your property

   health insurance - covers hospital cost/medical bills and sometimes disability

   life insurance - makes a payment (lump sum) to your survivors after your death

   home insurance - protects your home against fire, theft, and other damages

4. **What type of life insurance policy should be purchased in the following situations?**

   a. John wants a policy that will provide death protection as long as he lives and continues to make payments.

      He needs whole life insurance.

   b. Lauren wants a policy that will provide her with money when she is ready to retire.

      She needs term insurance.

YOUR

PAYCHECK

Upon receiving their first paycheck, many new employees are confused by the amount of money deducted from it and what the money is used for. Some experienced employees may not be able to provide an adequate explanation of these deductions, either. For these reasons, the following lesson plans have been designed to provide an explanation of employees' paychecks.

YOUR PAYCHECK

Objectives:

Upon completion of this material, the student will be able to:

1. Calculate yearly, monthly, and weekly contribution to the social security fund for a given income.

2. Identify the terms listed in the vocabulary by matching them with the appropriate definition.

Resources:

Chalkboard and chalk or overhead projector and marker

Form SS-5 (12-64), Application for Social Security Number (available from your nearest Social Security Office)

Students will need writing materials

YOUR PAYCHECK

Content	Activities/Notes
Introduction: When you receive your first paycheck, you'll see that money has been withheld for certain things. Today we'll look at one of these deductions and what it is used for.	
Lesson: The deduction that is labeled payroll tax or FICA on your pay stub is your social security deduction. FICA stands for Federal Insurance Contribution Act and is a trust fund you build during your working years. When your earning power stops, you will draw a social security benefit each month from this fund to help replace your last income.	A trust fund can be defined as money set aside and administered by someone else for a specific purpose. A social security benefit is a series of payments to an employee covered by social security, known as the beneficiary.
Before you begin work, you'll be asked for your social security number. If you do not have a social security number, you should apply for one now.	Ask your nearest social security office for Form SS-5 (12-64) (Application for Social Security Number) for students who do not have social security cards and help them complete the cards. Your local social security office, listed in the telephone book under U.S. Government, can provide you with forms and answer any questions you or your students may have. If you cannot locate an office near you, write: Social Security Administration Baltimore, Maryland 21235
The number issued to you is a 9-digit one and it is permanent. Even if you move or change your name, your social security number remains the same. You should notify the social security office when you move and have your records changed anytime necessary. If you lose your social security card, you can get a new one by applying for one. It will be the same number.	

Content	Activities/Notes
It is a good idea to learn your social security number; it is your identification number for many purposes.	
Many changes have been made in social security since it began in 1935. In addition to supplementing your retirement income, it offers medicare benefits, survivors' benefits, disability benefits, rehabilitation services and unemployment benefits as well as others.	Definitions for these terms may be given at this point (see vocabulary list). Some students in the class may be receiving social security benefits. If so, they may want to explain this to the class.
For this year, the FICA tax rate is 6.7% and the maximum amount of earnings is $32,400. This means that the most anyone will pay in FICA tax this year is $2,170.80 ($32,400 x .067). Your employer pays in an additional amount on your behalf. If you are self-employed, you will pay a slightly higher rate to make up that amount. To be insured, you must have between 1 and 1½ years of work within 3 years before you are entitled to benefits. Once you have worked 10 years and earned 20 quarters of credit, you are permanently insured. The amount of your benefits will, of course, depend upon your average wage.	Explain that the rate can be changed from year to year by the board of trustees for the social security fund. Have students who are working figure how much social security tax they will pay for the year. A quarter is a 3-month time period.
Summary: The social security system is set up to provide you with a supplemental income after retirement. The first $32,400 of your income is taxed at 6.7% in order to contribute to the social security fund. Services provided through social security have greatly expanded since it was begun and it now extends to such areas as medicare benefits and rehabilitation services.	

Your Paycheck Vocabulary

Supplementary income - money received in addition to the chief source of income

Social security - the U.S. Government system for providing additional retirement income to its citizens

Medicare benefits - medical assistance for the aged provided through the government

Survivors' benefits - payments to the spouse and children of a deceased employee covered by social security

Disability benefits - payments to a person covered by social security who is unable to work due to an injury or illness

Unemployment benefits - payments to an employee covered by social security who has been laid-off from a job

FICA tax - Federal Insurance Contribution Act payments

Benefits - series of payments to one in need

Rehabilitation services - education or therapy designed to restore a disabled employee to work status

Trust fund - money set aside and administered by someone else for a specific purpose (in this case, payment of social security benefits)

Beneficiary - one who receives the benefit from a trust fund or insurance policy

Suggested Evaluation Activity for Your Paycheck:

1. How much would you contribute to the social security fund if you earned $8,050 last year?

2. If you earn $164 a week and worked for 45 weeks, how much FICA tax will you pay?

3. If someone earns $35,000 this year, how much FICA tax will they pay?

Match each of the following terms in the first column with the best definition in the second column.

_____ 1. unemployment benefits	A. Payments to an employee covered by social security who is unable to work due to injury or illness
_____ 2. rehabilitation services	B. payments to the spouse and children of a deceased employee covered by social security
_____ 3. benefits	C. one who receives the benefit from a trust fund or insurance policy
_____ 4. FICA	D. money received in addition to the chief source of income
_____ 5. supplementary income	E. the government system for providing additional retirement income to its citizens
_____ 6. disability benefits	F. the legislation that began the social security system
_____ 7. beneficiary	G. Payments to an employee covered by social security who has been laid off from a job
_____ 8. trust fund	H. education or therapy designed to restore a disabled employee to work status
_____ 9. social security	I. money set aside and administered by someone else for a specific purpose
_____10. survivors' benefits	J. medical assistance for the aged provided through the government
	K. series of payments to one in need

Suggested Evaluation Activity for Your Paycheck:

1. How much would you contribute to the social security fund if you earned $8,050 last year?

$$\begin{array}{r} \$8{,}050.00 \\ \times \quad .067 \\ \hline \$ \quad 539.35 \end{array}$$

2. If you earn $164 a week and worked for 45 weeks, how much FICA tax will you pay?

$$\begin{array}{r} 164 \\ \times \ 45 \\ \hline 7380 \end{array} \qquad \begin{array}{r} 7380 \\ \times \ .067 \\ \hline 494.46 \end{array}$$

3. If someone earns $35,000 this year, how much FICA tax will they pay?

$2,170.80 (The limit is $2,170.80)

Match each of the following terms in the first column with the best definition in the second column.

G	1. unemployment benefits	A. Payments to an employee covered by social security who is unable to work due to injury or illness
H	2. rehabilitation services	
K	3. benefits	B. payments to the spouse and children of a deceased employee covered by social security
F	4. FICA	
D	5. supplementary income	C. one who receives the benefit from a trust fund or insurance policy
A	6. disability benefits	
C	7. beneficiary	D. money received in addition to the chief source of income
I	8. trust fund	E. the government system for providing additional retirement income to its citizens
E	9. social security	
B	10. survivors' benefits	F. the legislation that began the social security system
		G. Payments to an employee covered by social security who has been laid off from a job
		H. education or therapy designed to restore a disabled employee to work status
		I. money set aside and administered by someone else for a specific purpose
		J. medical assistance for the aged provided through the government
		K. series of payments to one in need

CITIZENSHIP

We live in a democratic society, and as citizens in such a society we probably play a greater role in the operation of our government and in political decision-making than any other country on earth. It is important for vocational students to possess a basic knowledge of our national, state and local governments because as productive citizens who are earning their own livelihood and contributing to the tax revenues of various political subdivisions, each assumes a role of participation in decisions that govern our everyday life. Most students study civics in school. This lesson is intended as a guide for you to use in provoking discussions and asking questions that will allow students to refresh their knowledge of our government and its operation.

CITIZENSHIP

Objectives:

Upon completion of this material, the student will be able to:

1. Define in writing the term "democracy".
2. Describe the qualifications of U.S. Senator and Representatives.
3. List the number of senators and representatives our state has in the United States Congress.
4. List the number of state senators and representatives in Mississippi.
5. List other political subdivisions that govern us.

Resources:

Chalkboard and chalk or overhead projector

Students will need writing materials

Copy of "Mississippi Facts and Figures", published by the Mississippi Secretary of State

Optional Resources:

Copy of "Official and Statistical Register of the State of Mississippi"

Film "Democracy", 10 minutes, black and white. Animated drawings and photography present the nature and meaning of democracy. Available from R/CU, Mississippi State University.

Content	Activities/Notes
Introduction:	
What is your definition of "democracy"?	List several definitions on the chalkboard, then compile them. The final definition should read something like this: a form of government in which the people rule.
Lesson:	
What does "representative democracy" mean to us? It is a form of government in which the people rule through eclected delegates or representatives.	If possible, incorporate "Democracy" film here.
This is the kind of democracy under which we live. It is called a "republican" form of government.	Emphasize the difference in the form of government and the "Rupublican" party.
The national government has three branches: 1. legislative branch: the Senate and House of Representatives 2. judicial branch: The Supreme Court 3. executive branch: The President	Write these on the chalkboard.
Before becoming president, you must meet two qualifications: 1. must be a natural-born citizen of the U.S. 2. must be at least 35 years old	
Before becoming a U.S. Senator, three qualifications must be met: 1. must have been a citizen for at least nine years 2. must be an inhabitant of the state from which elected 3. must be at least 30 years old	Point out that a senate term lasts six years.

Content	Activities/Notes
A U.S. Representative must meet three qualifications: 1. must have been a U.S. citizen for at least 7 years 2. must be a resident of the state from which elected 3. must be at least 25 years old	Point out that this term runs for two years.
Mississippi has two U.S. Senators and five U.S. Representatives.	Discuss the 5 legislative districts and have students name the senators and representatives.
The chief elected officer of the state is the governor. In Mississippi, the governor is elected for a four year term and may not succeed himself/herself.	
There are 52 senators and 122 representatives in Mississippi.	This information came from the Official and Statistical Register of the State of Mississippi. It contains other information that you may find useful for this lesson.
Each of the 82 counties in Mississippi is divided into districts referred to as "beats". Each beat elects a supervisor, who oversees the carrying out of government in each beat, and is responsible for the maintenance and upkeep of roads and public facilities within his/her beat.	Have students find out who the supervisors are in their district.
Within the county-wide system of government, there are "municipalities", which are incorporated towns or cities that have another set of rules and policies that citizens must abide by while in that subdivision.	Secure a copy of "Mississippi Facts and Figures", published by the Mississippi Secretary of State. It will answer almost any question about state and local governments.
Summary: Each of us plays a role in the government of the county, state, and nation. By being well-informed about that role, we can make the most effective use of that role.	

CITIZENSHIP VOCABULARY

Democracy - form of government in which the people rule

Representative Democracy - form of government in which the people rule through elected delegates or representatives. Also called "republican" form of government

Beat - district division of the county

Supervisor - elected official who oversees the carrying out of government in each beat and is responsible for the upkeep of roads and public facilities within the beat

Municipalities - incorporated towns or citizens that have another set of rules and policies that citizens must abide by while in that subdivision

Suggested Evaluation Activity for Citizenship:

1. Define democracy.

2. What are the qualifications of U.S. Senators and Representatives?

3. Mississippi has ___ _____ senators and _____ representatives in the U.S. Congress

4. Mississippi has _____ state senators and _____ state representatives.

5. Describe the other political subdivisions that govern us.

Suggested Evaluation Activity for Citizenship:

1. Define democracy.

   Form of government in which the people rule through elected delegates or representatives.

2. What are the qualifications of U.S. Senators and Representatives?

U.S. Senator	Representative
a. must have been a citizen for at least nine years	a. must have been a U.S. citizen for at least 7 years
b. must be an inhabitant of the state from which elected	b. must be a resident of the state from which elected
c. must be at least 30 years old	c. must be at least 25 years old

3. Mississippi has __2__ senators and __5__ representatives in the U.S. Congress.

4. Mississippi has __52__ state senators and __122__ state representatives.

5. Describe the other political subdivisions that govern us.

   Each of the 82 counties in Mississippi is divided into districts referred to as "beats". Each beat elects a supervisor, who oversees the carrying out of government in each beat, and is responsible for the maintenance and upkeep of roads and public facilities within his/her beat.

   Within the county-wide system of government, there are "municipalities", which are incorporated towns or cities that have another set of rules and policies that citizens must abide by while in that subdivision.

BUSINESS

LAW

Before attempting to teach this lesson, try to review a textbook in business law. The school library or the business education teacher can provide you with one. Begin this lesson by stressing the fact that law is an extremely broad subject to cover, then focus in on the objectives so that students will clearly understand the important facts about business law that they will need as they enter into an occupation.

BUSINESS LAW

Objectives:

Upon completion of the lesson, the student will be able to:

1. Explain in writing the difference between constitutional and statuary law.

2. Define and discuss the differences in real and personal property.

3. Definite and explain the difference in contract and negotiable instruments.

4. Explain the extent of consumer protection.

Resources:

Chalkboard and chalk or overhead projector and marker

Various contracts

Students will need writing materials

Resource speaker if desired

Optional Resources:

"Law and Business" - 20 visuals presenting legal policies applying to business. OR "Business Law", 64 visuals. Available from R/CU, Mississippi State University.

Content	Activities/Notes
Introduction: In order for people to function peaceably together in a society, laws have been developed so that their relationships conform to certain standards that represent the social, economic, and moral needs of that society. The term "law" is used loosely many times. We refer to peace officers on occasion as "the law", and many times our actions are controlled because of "the law". When we use the term "law" in the technical sense, we are referring to the broad set of policies and principles that can be enforced in court and which control the conduct of citizens as we go about our daily lives. The study of business law is so broad that we could spend most of our time in this course on that one subject, but since out time is limited, we will attempt to look at some of the things that you as vocational students may find most important as you take your place in the working world.	
Lesson: There are basically two kinds of law that the citizen needs to know about: 1. constitutional law - each state is under two sets of constitutional law; the United States Constitution and the Constitution of the State. 2. statutary law - these are laws that have been enacted by the United States Congress and the legislatures of each state.	If time permits, it would be a good idea to give a brief history of the development of the United States Constitution. You can find information on this in any American history book. Also, briefly discuss your state constitution.

Content	Activities/Notes
In our country citizens' individual rights may be classified as: 1. civil rights - the rights and freedoms guaranteed by the U.S. Constitution. They are primarily found in the Bill of Rights. 2. political rights - these rights allow a citizen to participate in the process of government.	An example of this is the right to run for political office.
Real and personal property - as a citizen you have the right to acquire, utilize, and dispose of real and personal property.	Personal property includes automobiles, stereos, furniture, etc.
1. a fixture is an item of personal property attached so that it becomes a part of the property. Examples are light fixtures, built-in appliances, etc. 2. an easement is granting another party the right to use a part of real property for a specified period of time. 3. most people acquire real or personal property by purchasing it or sometimes by inheritance.	Real property includes land and anything connected to land. Discuss wills and their importance at this point.
A <u>contract</u> is a legally binding agreement between two or more competent persons.	
There are four elements that must be present for a contract to be considered valid: 1. There must be an <u>offer</u> and an <u>acceptance</u> of the offer. 2. There must be consideration, or something of value involved in the contract. 3. There must be involvement of competent parties. 4. There must be legal purpose (that is, the contract must not be against the law).	

Content	Activities/Notes
A formal contract is one that is written and has a seal affixed. An informal contract are simple agreements that require no seal (like the purchase of a movie ticket).	Find examples of different kinds of contracts and discuss each.
An express contract is one in which all terms are detailed and written (an insurance policy is an express contract). An implied contract is one in which the actions of both parties indicate that an agreement has been reached.	
Ownership of goods is transferred from one party to another for a consideration (price).	
Goods are categorized as tangible, personal property.	
There are several conditions that must be met to enforce an oral contract of $500 or more: 1. The buyer accepts the property 2. The buyer makes full payment for the property under the contract 3. The contracted property is one of a kind that was manufactured for the buyer 4. Either party being sued in an oral contract admits in court the existence of such contract	If desired, use visuals "Law and Business" or "Business Law"
We all constitute "consumers", and in past years we have pretty much been on our own when making consumer purchases. However, this has all changed to the point that the consumer now enjoys broad protection. Laws have been passed that protect consumers from unfair practices, that set minimum quality, standards, and that require correcting of wrongs perpetrated against consumers.	

Business Law Vocabulary

Civil rights - rights and freedoms guaranteed by the U.S. Constitution

Personal property - items that are owned by an individual; tangible goods

Real property - land and/or anything permanently attached to it

Contract - legally binding agreement between two or more competent persons

Formal contract - a written agreement, with a seal affixed must meet the requirements of a contract

Express contract - a contract in which all terms are detailed and written

Implied contract - a contract in which both parties indicate that an agreement has been reached

Suggested Evaluation Activity for Business Law:

1. Explain the difference between constitutional law and statutary law.

2. What are the four essential elements of a contract?

3. How are consumers protected today?

4. _____ property is land and anything connected to it.

5. Automobiles, stereos, and furniture are classified as _____ property.

KEY

Suggested Evaluation Activity for Business Law:

1. Explain the difference between constitutional law and statutary law.

   constitutional law: each state is under two sets of contitutuional law; the United States Constitution and the Constitution of the State.

   statutary law: these are laws that have been enacted by the United States Congress and the legislatures of each state.

2. What are the four essential elements of a contract?

   a. there must be an offer and an acceptance of the offer
   b. there must be consideration, or something of value involved in the contract
   c. there must be involvement of competent parties
   d. there must be legal purpose (that is, the contact must not be against the law)

3. How are consumers protected today?

   Laws have been passed that protect consumers from unfair practices, that set minimum quality, standards, and that require correcting of wrongs perpetrated against consumers.

4. REAL property is land and anything connected to it.

5. Automobiles, stereos, and furniture are classified as PERSONAL property.

JOB APPLICATION AND INTERVIEW

Once the vocational student has reached the point where he or she has completed the requirements of the training program, a major step in his or her occupational career has been taken. It is now time to find employment, and students must be prepared for this undertaking.

JOB APPLICATION AND INTERVIEW

Objectives:

Upon completion of this lesson, the student will be able to:

1. Select a list of possible job opportunities from classified ads and other sources.

2. Compose a letter of application following the principles outlined in class.

3. Write a personal resume'.

4. Complete an application form.

Resources:

Sample resume's

Sample application blanks from local businesses or industries

Classified ad sections of newspapers

Optional Resources:

Business periodicals containing articles on job interview

Content	Activities/Notes
Introduction: Once you finish your vocational training, you will be ready to find full-time employment. You cannot simply walk into the place where you want to work and ask for a job. You must go through the job application and interview process.	Provide students with several current newspapers from which to select three classified ads for jobs that they would be interested in applying for.
Lesson: Before you apply for a job, you'll want to try to find out what the average salary is for that or similar positions, how much experience is required, and the typical responsibilities of the job. Most of this information you can get from talking with people you know who are employed in the field. You may find the library and the Dictionary of Occupational Titles helpful, too.	As you accumulate material on different occupations, you may want to save it and begin a file on occupational information related to your area for future classes to use. Your vocational guidance counselor will have material that you may find useful, also.
Most employers require a personal resume'. This is simply an outline of your personal characteristics, your education, and your work experience. You'll want to list any additional qualifications that you might have for a particular job and give three or four character references.	A typewriting book will have a sample resume' that you may want to duplicate and distribute to your students; stress the fact that the appearance of the resume' is important (spelling, format, etc.) and it should be typewritten. Have students write their resume' in class while you can assist them.
Title VII, Civil Rights Acts, outlines information that is not pertinent to job application. Such information as religion, race, etc. cannot be used as the basis for hiring.	

Content	Activities/Notes
When you write your letter of application, you'll need three to four paragraphs: 1. tell how you learned about the position and state that you would like to be considered for the position 2. summarize your educational experience that qualifies you for the position 3. summarize any work experience that you have had (if you haven't worked anywhere, omit this paragraph) 4. tell how to get in contact with you and offer to come for an interview at the employer's convenience. Thank them for their consideration.	Remind students that they should include their vocational training in their statement of qualifications
You'll be asked to complete an application form when you apply for a job. Remember to use black ink and be as neat as possible. Any question that does not apply to you should be followed by writing "NA" for not applicable in it or drawing a line. This lets the employer know that you saw the question but understood that it did not apply to you. Always be honest in your statements. You'll need to be sure to take a black ink pen with you, have your social security number handy, and some applications even ask for a photograph. You'll need to have the dates of your educational back-ground in mind.	Secure several application forms from local industries and let students practice completing them. Students will need at least three forms (one at a time) to complete. The first form should be strictly preliminary, with time for questions; the second should reinforce concepts learned on the first try, and the third should be assigned a grade.
Before you interview for a job, you'll want to get any information that you can about the company. Try to anticipate the questions that could be asked and have your answers in your mind.	Many current business periodicals have information on how to handle a job interview. You may find this useful.

Content	Activities/Notes
After the interview, you'll want to write a followup letter thanking the firm for their consideration and indicating that you are looking forward to hearing from them. You may find it helpful to prepare a file or card on the interview, indicating the date, the name of the interviewer, and any information that may be helpful in further contact with the firm. Summary: Job interview must be a carefully planned process to be successful. As your career progresses, you'll find that no one is exempt from the job application-interview process for long.	This is a good time to invite the personnel manager of a local industry to speak to your class about conduct during the interview and the job application process.

Job Application and Interview Vocabulary

Resume' - written outline of personal characteristics, education, and work experience submitted to potential employer

Letter of application - letter written to apply for a job, describing education and work experience qualifications

Character reference - an individual who has knowledge of your character and is willing to answer an employer's questions about you

Title VII of the Civil Rights Act - prohibits using certain criteria as a basis for hiring

"NA" - stands for "not applicable", and should be the response to questions on application blanks that do not pertain to you

APPLICATION FOR EMPLOYMENT

(please print plainly)

Personal Date of Application:____

Name:_____ Social Security No._____
Last First Middle

Present address:_____
No. Street City State Zip

Telephone No.:_____ Date of birth:_____

Rate of pay expected:_____ per week.

Would you work Full-time_____Part-time_____(specify days and hours)

Were you previously employed by us?_____If yes, when?_____

If your application is considered favorably, what date will you be available to work?
_____

Record of Education

School	Name & Address of School	Last Year Completed	Diploma/ Degree
Elementary			
High School			
College			
Other			

Military Service Record

Were you in armed forces? Yes_____No_____ If yes, what branch?_____

Dates of duty:_____Rank at discharge_____

Duties in the service:_____

Have you taken any training under the GI Bill?_____If yes, what training?

List below all present and past employment, beginning with most recent. Use back of this page, if necessary.

Name & Address of Company	Date of Employment	Type of work you did	Reason for leaving	Name of Supervisor
1.				
Telephone:				
2.				
Telephone:				
3.				
Telephone:				

May we contact the employers listed above?_____ If not, indicate by No, which one(s) you do not wish us to contact. _____

_____
Signature of Applicant

You do not have to answer the following questions unless you desire to. They will not be used in the employment decision.

How long have you lived at your present address?_____

How do you wish to be addressed? Mr.____Mrs._____Miss_____Ms._____

Sex: M____F_____ Marital status: Single__Engaged__Married__Divorced__ Widowed__

Number of dependents_____ Selective Service Classification_____

Do you have any physical handicaps? yes__ no__ If yes, please describe:

_____

Suggested Evaluation Activity for Job Application and Interview:

1. Write a letter of application for a position in your trade area that you saw in the local newspaper. Be sure to follow the guidelines outlined in class.

2. Write a resume' to include with your letter in #1.

3. Complete the attached application form.

Suggested Evaluation Activity for Job Application and Interview:

1. Write a letter of application for a position in your trade area that you saw in the local newspaper. Be sure to follow the guidelines outlined in class.

   Will vary with each student but should follow basic form of attached letter.

2. Write a resume' to include with your letter in #1.

   Will vary with each student but should follow basic form of attached resume' and contain essential information.

3. Complete the attached application form.

   Will vary with individual students but each should be printed neatly in black ink. Check for spelling; overlooked blanks, and overall appearance.

310 State Street
Anytown, Mississippi
November 10, 1981

Hometown Motor Company
101 Main Street
Anytown, Mississippi

Dear Mr. Carson:

Mr. Joe Jones, the auto mechanics instructor at Anytown Vocational Center, told me about the opening at Hometown Motor Company for a mechanic's helper. Please consider me an applicant for this position.

I am a second-year auto mechanics student at the Anytown Vocational Center. Mr. Jones is my instructor. I have maintained an overall B average for the last two years, with A's in auto mechanics. I will graduate in May, 1982. I believe my vocational training will be helpful in a position like mechanic's helper.

I am enclosing a resume'. I would like to come for an interview at your convenience. My telephone number is 777-0770. Thank you for your consideration.

Sincerely,

Susan B. Wright

Enclosure

R E S U M E'

Name:	Susan B. Wright
Address:	310 State Street Anytown, Mississippi 30003
Telephone:	777-0770
Height:	5 feet, 8 inches
Weight:	150 pounds
Health:	Excellent
Age:	18
Education:	Will graduate from Anytown High School, Anytown, Mississippi in May, 1982 Currently enrolled in second year Auto Mechanics Course, Anytown Vocational-Technical Center, Anytown, Mississippi
Activities:	Vice-President, Anytown Vocational Center VICA Chapter 1981-1982 VICA member, 1980-1981 State VICA Auto Mechanics Aware, 1981 Anytown Vocational Center Outstanding Auto Mechanic Award, 1981
References:	Mr. Joe Jones, Auto Mechanics Instructor Anytown Vocational Center Anytown, Mississippi Mr. Ralph Roberts, Director Anytown Vocational Center Anytown, Mississippi Ms. Jan Johnson, Director Anytown Youth Center Anytown, Mississippi

PERSONALITY

DEVELOPMENT

Teamwork is essential to all businesses, regardless of the type of work they do. Employability skills alone cannot advance an employee. It is important that students learn the human relations or "teamwork" skills that are necessary to advance in the world of work. The vocational instructor is often the only link the student has to the real working world, and it becomes his or her responsibility to pass on to the student as much information as possible to make the transition to working as smooth as possible.

PERSONALITY DEVELOPMENT

Objectives:

After completing this lesson, the student will be able to:

1. Explain in an essay or orally the importance of personality as it applies to getting along with fellow employees.

2. Given a case study, suggest five ways to improve personal work habits and techniques.

3. Given a case study, describe three ways to avoid arguments, criticism, and hasty judgments.

4. Describe the importance of personal appearance.

Resources:

Chalkboard and chalk or overhead projector and marker

Optional Resources:

T.N.T., published by Delmar Publishers, Albany, New York. James O. Proctor, author

Film: "You Pack Your Own Chute", available from Mississippi Library Commission in Jackson, Mississippi

"Human Relations: Fundamentals", 20 visuals presenting guidelines for working with people. Available from R/CU at Mississippi State University.

PERSONALITY DEVELOPMENT

Content	Activities/Notes
Introduction: We have talked about employability skills and their importance in being successful in an occupation. We can spend a great deal of time learning employability skills, yet success may not be measured by how well you can perform the skills required by your job, but by how well you make the adjustments that may be necessary to become an accepted member of the team. Lesson: You have been in the process of developing your personality all your life. Many of your choices concerning activities and the friends you choose are related to your personality. You choose friends and companies because your personality is compatible with theirs. When you begin a new job, you are not likely to be in a position to choose your companions; therefore, you may have to make adjustments in your personality. If you display negative personality traits on your job, you will be asking for problems. How do you define personality? List the traits that you think are good personality traits and those that you think are bad. Does everyone agree on all? Some of the things that bother some of you aren't the same things that bother others	T.N.T. is an excellent source of information for this unit. It is published by Delmar Publishers of Albany, New York, and the author is James O. Proctor.

Content	Activities/Notes
There are three ego states that affect your personality: 1. parent ego state (act like your parents) 2. adult ego state (do your own thinking) 3. child ego state (behave as you did when you were a child) In order to improve your personality and help you achieve success, there are some things you can do: 1. Build a mental picture of the person you want to become. Keep this mental picture present at all times. 2. Take a close look at yourself. Try to identify any weaknesses in yourself. 3. Identify the kind of personality you want. Work toward developing good habits and attitudes that help to achieve your desired personality. 4. Practice at all times those personality traits you would like to have.	Show students the film "You Pack Your Own Chute". It is available from the Mississippi Library Commission in Jackson, MS.
Personal appearance gives people an impression of you. What do you think constitutes proper dress on the job? More and more people are wearing what they want to and being accepted. Many employers are still concerned about proper dress, though. Remember that the world of business and industry is more interested in dress codes than the school is.	Ask students who are working or who may have held full-time jobs in the past to give some ideas about what employers say about proper dress at their place of business.

Content	Activities/Notes
If you are thinking about applying for a job at a particular business or industry, pay a visit to them and observe how employees dress. When you go to apply there, be sure and dress accordingly. Don't go for "fad" clothes. Let someone else do this and get the criticism. Good grooming will show up regardless of the clothes you wear. For good health of hair and scalp and for a good appearance, keep your hair clean at all times. Shampoo frequently. Keep your body as clean as possible, including your fingernails and hands. Keep your skin clean and get plenty of exercise. Proper diet and proper rest will result in good skin condition. A condition like body odor will make you unpopular - at school or at the place you work. There is really only one person that you can change, and that is yourself. Have a positive mental attitude. Avoid being negative about everything. Analyze your conversation. Do you make a lot of negative statements? Try to change them to positive ones. Smile as much as possible and be enthusiastic about your work. Don't indulge in self pity. Show a willingness to learn. Analyze and overcome an objectionable habits you may have.	

PERSONALITY DEVELOPMENT VOCABULARY

Personality - a person's quality, all of the traits that make a person distinctive

Ego state - the part of the personality that controls behavior

Positive mental attitude - an optomistic frame of mind

Human relations skills - ability to get along with people

Good grooming - appropriate, clean, neat dress for the job

Motivate - incentive to do something; to move to action

Dependability - reliable and trustworthy

Suggested Evaluation Activity for Personality Development:

1. Write a paragraph explaining the importance personality plays in getting along with fellow employees.

2. Suggest three ways that Joe can improve his personal work habits as they are described in the following case:

   Joe glances at the clock as he rushes to punch his time card-8:10, ten minutes late again! Traffic was really heavy this morning and he'd thought he'd never find a parking place. But no one seems to have noticed that he's late. Tucking his shirt-tail in and giving his hair one last combing, he begins his day by asking a co-worker if he/she saw last night's game on television.

3. Refer to the situation described in #2 above. You are the supervisor in the situation, and at lunch that day, another co-worker of Joe's asks to speak to you privately. Joe has been involved in an argument that morning that disrupted the easy working relations of the group. Some of the other employees don't feel that Joe is "pulling his weight" in the organization. As the supervisor, how can you best handle the situation to avoid arguments, criticism, and hasty judgments?

4. Briefly describe the importance of personal appearance on the job.

KEY

Suggested Evaluation Activity for Personality Development:

1. Write a paragraph explaining the importance personality plays in getting along with fellow employees.

   Skills alone cannot advance an employee. The business must work as a team to accomplish a mutual goal. If one employee fails to do this, the entire business suffers. An employee must adjust his/her personality to allow good teamwork.

2. Suggest three ways that Joe can improve his personal work habits as they are described in the following case:

   Joe glances at the clock as he rushes to punch his time card-8:10, ten minutes late again! Traffic was really heavy this morning and he'd thought he'd never find a parking place. But no one seems to have noticed that he's late. Tucking his shirt-tail in and giving his hair one last combing, he begins his day by asking a co-worker if he/she saw last night's game on television.

   1. be punctual
   2. better planning
   3. better grooming
   4. put his mind on work
   5. take a close look at himself and his work habits

3. Refer to the situation described in #2 above. You are the supervisor in the situation, and at lunch that day, another co-worker of Joe's asks to speak to you privately. Joe has been involved in an argument that morning that disrupted the easy working relations of the group. Some of the other employees don't feel that Joe is "pulling his weight" in the organization. As the supervisor, how can you best handle the situation to avoid arguments, criticism, and hasty judgments?

   Look at Joe's past record. Try to get both sides of the story. Ask for an explanation. Explain the work goals of the organization and where and how each employee fits in.

4. Briefly describe the importance of personal appearance on the job.

   A neat appearance promotes better work habits. The business may be judged on the employees' appearance. Regardless of the kind of clothes, proper grooming is important to mental attitude.

YOUR JOB
AND
YOUR HEALTH

Americans are now living longer than ever before. We must be aware, though, that none of us will live forever; therefore, we should do everything we can to maintain good health throughout our lives. We can help our students to understand the importance of this and contribute to their good health through the rest of their lives as it relates to their occupation.

YOUR JOB AND YOUR HEALTH

Objectives:

Upon completion of this material, the student will be able to:

1. Describe what is meant by mental hygiene and how it can be achieved.
2. Explain how proper diet contributes to good health.
3. Explain the importance of proper posture.
4. Demonstrate an understanding of what is meant by "job stress" by identifying factors that can contribute to it.

Resources:

Chalkboard and chalk or overhead projector and marker

Students will need writing material

Article on job stress from Reader's Digest, December, 1981

Table showing ideal height/weight ratio for males and females

Bathroom scales

Optional Resources:

Newspaper or magazine articles relating to job stress

"Social Psychology", set of 20 visuals dealing with social interaction and human development. Available from R/CU at Mississippi State University

Content	Activities/Notes
Introduction: Americans have achieved a standard of living that provides us with more and richer food than ever before. Modern medicine has erased such dangers as tuberculosis, small pox, polio, and various other ailments. However, our modern lifestyle has led to encouragement of other ailments that we must deal with: such things as high blood pressure, heart disease, diabetes, cancer, emphysema and others. Many of these stem from over indulgence of rich foods, drinking too much alcohol, smoking, and getting too little exercise.	
We need to become more aware of risk factors that are associated with poor health as a result of the things we just mentioned. To enjoy a good life, we must remain as healthy as possible. This means mentally healthy as well as physically healthy.	You may wish to begin the lesson by using the visual set "Social Psychology"
Lesson: How do you define mental illness?	Students should discuss their definitions to allow you to proceed with the lesson. You may wish to bring newspaper or magazine articles to class for use in this discussion.
Why do some persons stay healthy and others fall victim to mental illness when exposed to similar stresses? There are some basic types of mental illness that you may have heard of:	Possible answers to discuss: a. the nature of the individual b. the nature of the stress c. environmental influences d. behavior of the individual

Content	Activities/Notes
Schizophrenia is a mental disease in which the patient is disassociated with his/her environment. Paranoia means that a person has continuing illusions of persecution or grandeur. Depression is an alternating combination of moods with frequent regularity. Anxiety disorders include various phobias, hypochondria, etc.	List these terms on the chalkboard.
Job stress is a rapidly increasing problem for today's worker.	Refer to Reader's Digest, December, 1981 for information concerning this problem. (Most magazines and newspapers carry articles on this topic, too)
Aristotle advocated a good balance of work, sleep, and play to combat stress.	
Learn to identify causes of stress: 1. money problems 2. family problems 3. sex problems 4. lack of communication (at home and at work) 5. working too hard at your job 6. conflict with employer 7. conflict with other employees	
Psychotherapy may be the ultimate treatment for these mental disorders.	
Your diet contributes to your mental frame of mind.	Ask students to give you their concept of a proper daily diet.
The following is recommended by the American Health Foundation: 1. lower caloric intake to maintain ideal body weight 2. fat intake should be no more than 25-30% of total calorie intake 3. reduce cholesterol intake 4. increase protein intake from vegetable sources, do not increase total protein intake	Emphasize that malnutrition can mean overindulgence as well as not getting enough to eat. Find a table that gives the ideal height/weight ratio for males and females. Take bathroom scales to class and let students compare their actual weight with what is recommended.

Content	Activities/Notes
5. increase intake of whole grain breads and cereals, fresh fruits and vegetables 6. be moderate in the use of alcohol 7. reduce intake of sodium As your body matures, you will find that these things become more important in maintaining the proper balance of nutrition. Posture is also important to good health. It is defined as the way you hold your body. It is critical if you work on a job where you are confined in space or in which you must hold basically the same position for a long period of time. If you have a desk job, it helps to sit up straight with both feet flat on the floor. Slumping cramps your lungs and heart and leads to spinal pain. If you stand when you work, stand erect with shoulders and head back, chest out, and stomach in. Summary: Mental hygiene is as important as physical hygiene. Your diet can contribute to good mental hygiene, as can good posture and an understanding of factors that contribute to job stress.	Have students demonstrate good posture in sitting, standing and walking.

Your Job and Your Health Vocabulary

Schizophrenia - a mental disease in which the patient is disassociated with his/her environment

Paranoia - illusions of persecution or grandeur

Depression - frequently alternating combination of moods

Anxiety disorders - mental disorders like phobias or hypochondria

Job stress - pressure or strain associated with one's work

Suggested Evaluation Activity for Your Job and Your Health:

1. Describe what "mental hygiene" means to you and how it can be achieved.

2. What bearing does diet have on health?

3. Explain the importance of proper posture.

4. Identify the factors that contribute to job stress.

KEY

Suggested Evaluation Activity for Your Job and Your Health:

1. Describe what "mental hygiene" means to you and how it can be achieved.

   Mental hygiene refers to the individual's state of mind. A healthy state of mind recognizes stress-causing factors and can deal with them. The individual's behavior reflects his/her mental hygiene.

2. What bearing does diet have on health?

   Other than the obvious physical benefits of a good diet (feeling better and looking better), your diet influences your mental frame of mind. This will influence how you cope with events.

3. Explain the importance of proper posture.

   Proper posture keeps you from tiring as quickly. Slumping while sitting at a desk cramps your lungs and heart and leads to back pain.

4. Identify the factors that contribute to job stress.

   money problems
   family problems
   lack of communication
   sex problems
   working to hard at your job
   conflict with employer
   conflict with other employees